

Search For The Purveyor Of Business Alliances



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Revolution In Military Affairs



Secretary of Defense William S. Cohen, Vice President Al Gore, Gen Henry H. Shelton, and Deputy Secretary of Defense John J. Hamre



THE LOGISTICS REVOLUTION TO JV 2010

The Surge & Sustainment Challenges

OVERWHELMING RESOURCING STRATEGY (POTENTIAL)



AGILE RESOURCING STRATEGY (KINETIC)



NAVICP
DIRECT VENDOR
DELIVERY

F-22, MV-22,
SH-60F, DD21
SEAWOLF



MRO

METALS

BENCH
STOCK



DEMONSTRATION PROJECTS
A "MUST" TO PROVE RESPONSIVENESS
AND CAPACITY

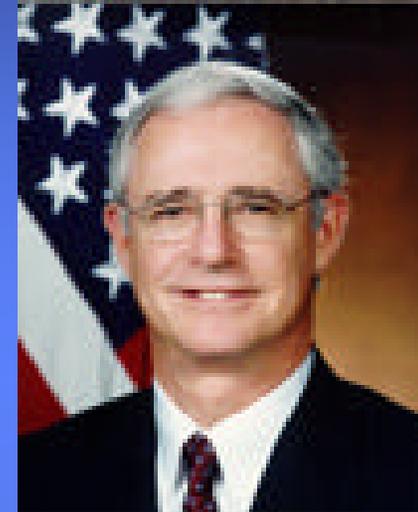
MOBILIZATION VIA WAREHOUSE



MOBILIZATION VIA INDUSTRY



Revolution in Business Affairs

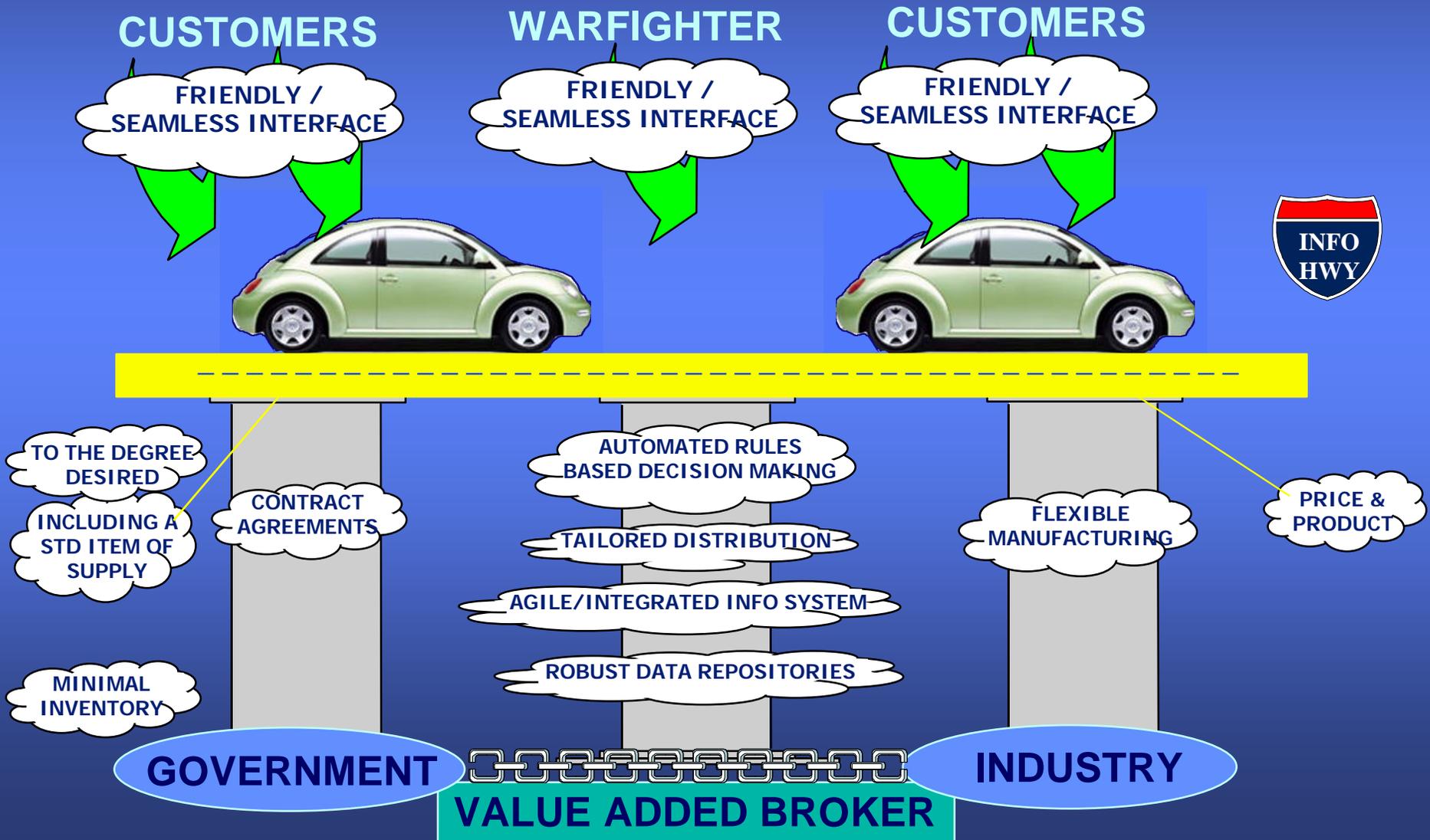


Dr. Jacques S. Gansler
Under Secretary of Defense
for Acquisition & Technology



Summary ... The Strategic Vision

Purveyor of Business Alliances





Business Approach

***ENABLES CUSTOMERS AND BUSINESS MANAGERS TO
CONDUCT BUSINESS IN THE ELECTRONIC
MARKETSPACE ENVIRONMENT***

- Integrates all our new, successful Business Processes in a closed loop EC / EDI system
- Addresses peace and war readiness
- Adds value: lower prices, faster LRT, choice and product info

Underpinnings

Taps into worldwide inventories
Leverages prices through long term flexible business arrangements
Provides delivery with various levels of service
Creates Interfaces with the user via Internet

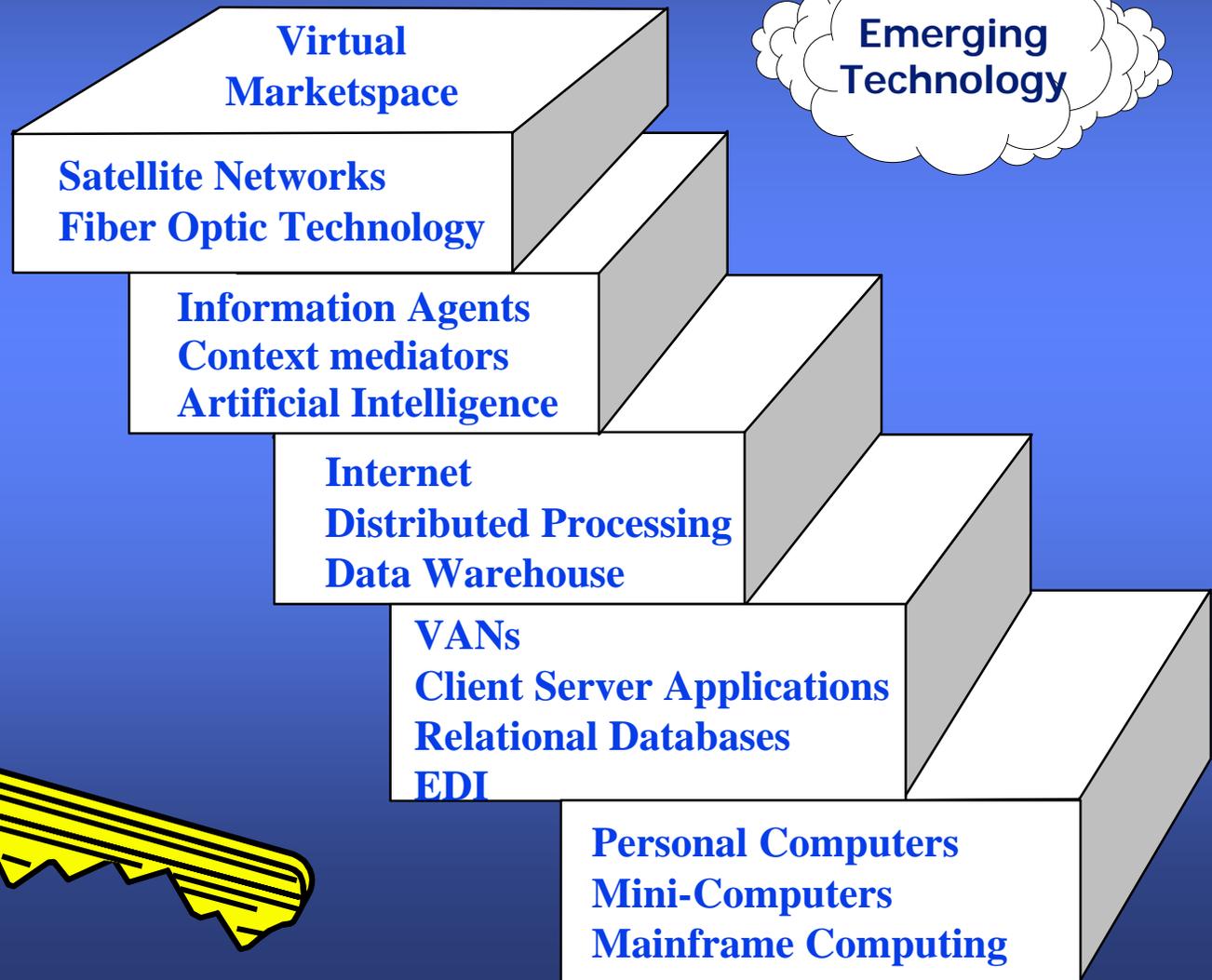


Business Transformation Through Emerging Technology





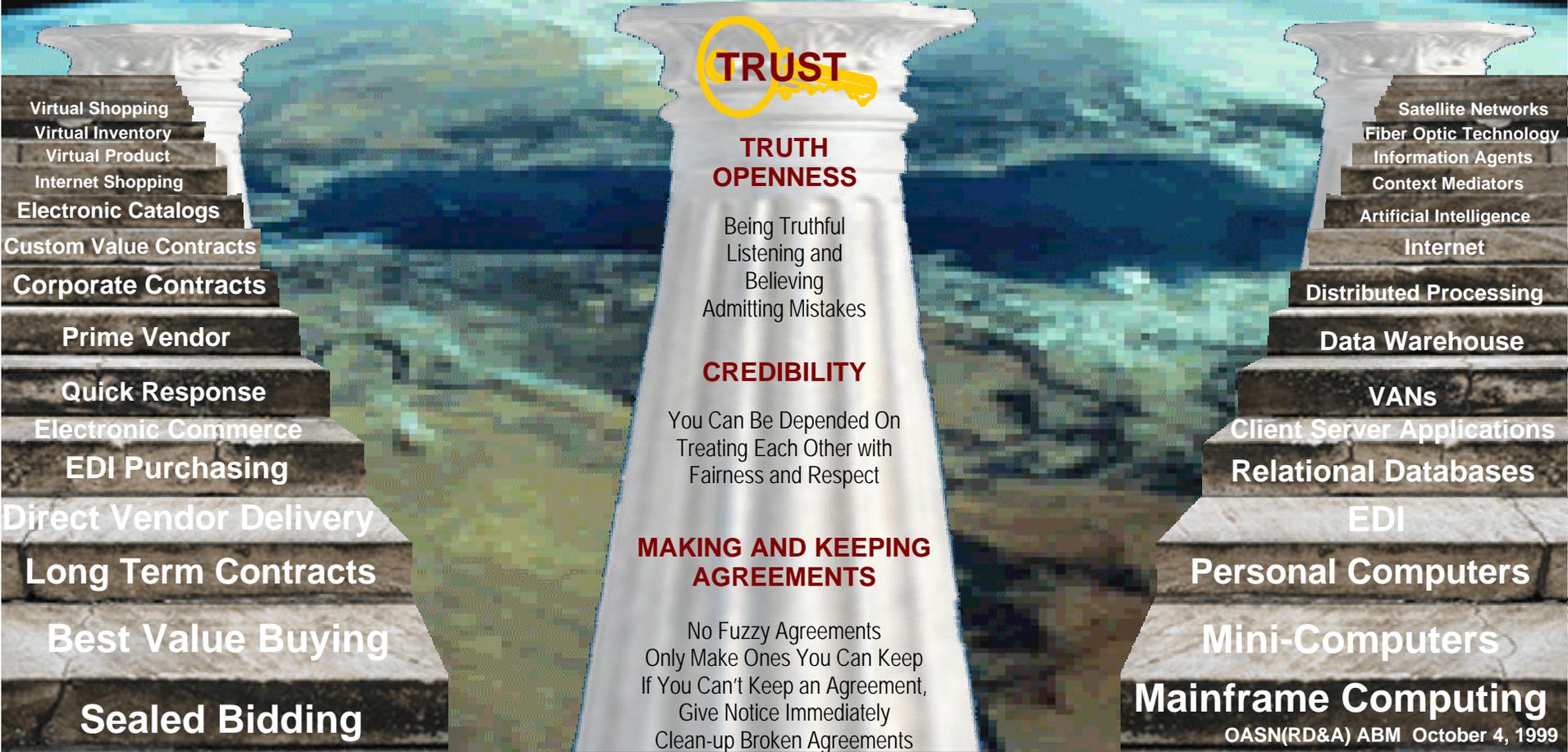
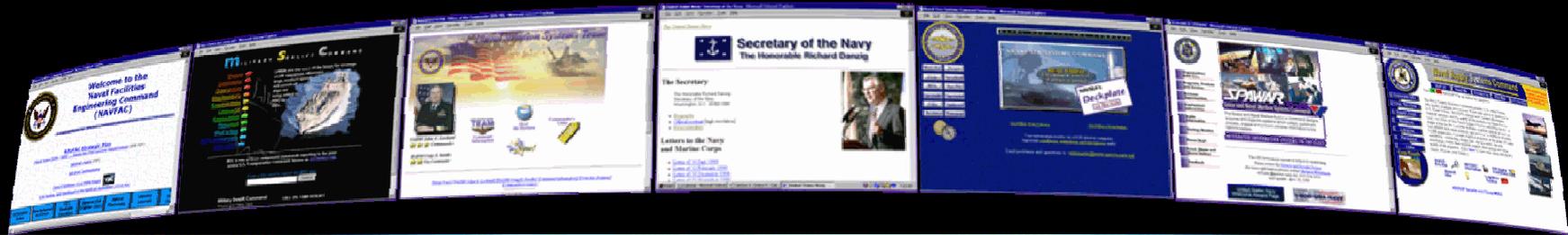
Technology Opportunities





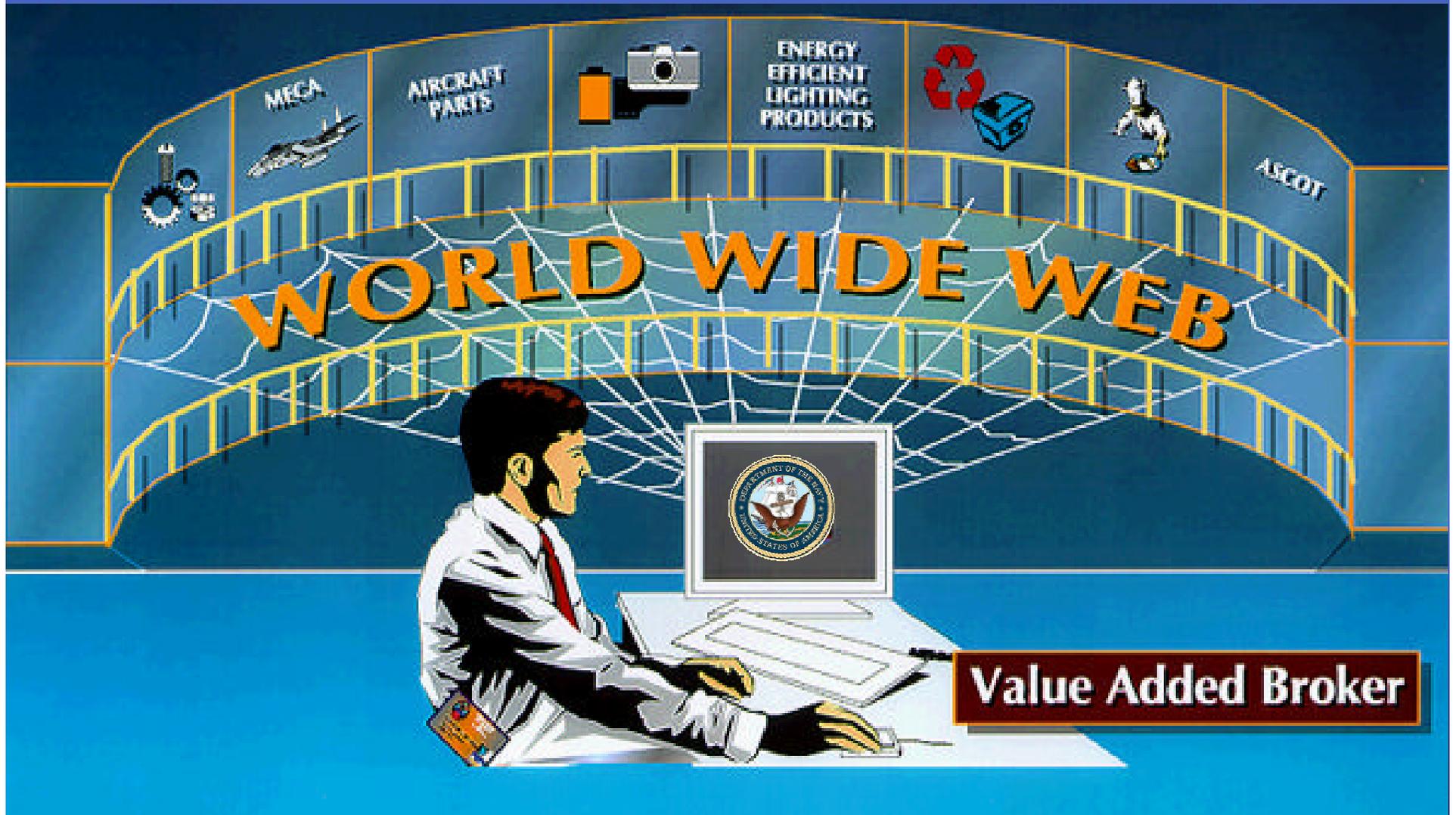
Virtual Market Space

Secure, Reliable, User Friendly



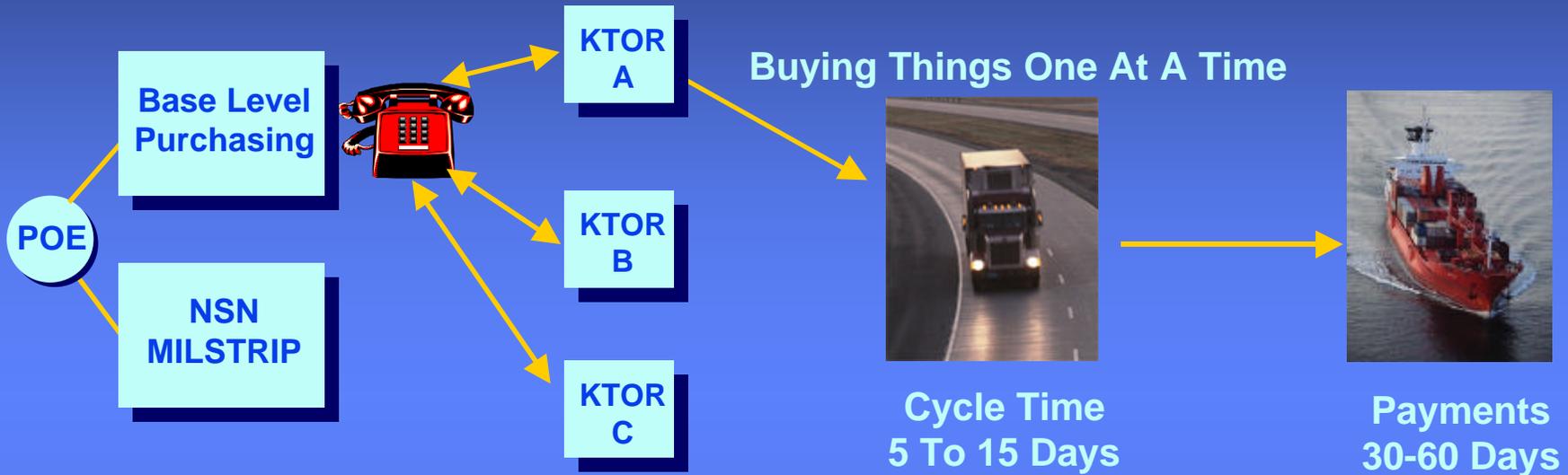


DoD E-Commerce Mall





Use of Emerging Technologies





“Catalyst from the Outside”



How we work . . .

How we fight . . .

How we live.

Honorable Richard Danzig, Secretary of the Navy



Consolidation of Fleet Region Contracting Offices

Metric Comparison

1996/97

Contracting Offices

77 Hampton Roads
44 Pacific NW
25 Pearl Harbor
63 San Diego

209 Offices

10 Feb 1998

Contracting Offices

38 Hampton Roads
36 Pacific NW
10 Pearl Harbor
63 San Diego

147 Offices

TODAY

Contracting Offices

26 Hampton Roads
10 Pacific NW
6 Pearl Harbor
27 San Diego

69 Offices

2000 +

Goal:
Approx 70 Offices
Exploring Buying Consortiums

Personnel Reduction of Civilian Contracting



Purchase Card vs SAP
Actions < 2,500



SAP=Simplified Acquisition Procedures

CHANGES IN CUSTOMER PROFILE

93% of Micro Purchases for FY98-Purchase Card



Navy Consortiums Home Page

<http://www.abm.rda.hq.navy.mil/rbc>

The screenshot shows a Netscape browser window titled "Netscape - [NAVY BUYING CONSORTIUMS]". The address bar contains the URL "http://www.abm.rda.hq.navy.mil/rbc/". The page content includes a navigation menu on the left with the following items: VISION, INDUSTRY LINKS, NORFOLK POCs, SAN DIEGO POCs, SCHEDULE OF EVENTS, E-MAIL ABM, Coming Soon:, and CONSORTIUM CONTRACTS. The main content area features the heading "REGIONAL BUYING CONSORTIUMS" and a definition: "Two or more independent organizations that join together to combine their requirements for purchased goods, materials, services and capital goods to leverage more value than could be obtained individually." Below the text is a photograph of three business professionals in a meeting room, with one man standing and pointing at a document on a table while two others sit at the table. A whiteboard with handwritten notes is visible in the background.



Norfolk Status

Visits by RADM Jenkins: JAN, MAR, MAY 99.

Regional Players: NAVSUP, NAVFAC/PWC, SUPSHIP, FOSSAC, MSCLANT, NSWC, NEXCOM, RSG.

Common Functions/Existing Contracts(24): Servmart, Laundry, Dry Cleaning, Cable TV and Piloting Services; Household Movement; IT Support; CASU-Admin Services; ISSOP (Material Management Support); Environmental Remediation/Support, Marine Paint(GSA).

Current/Future Common Function RFPs: Piping, Tubing, Fittings; Galley Equipment Maintenance; Ship Repair; Janitorial Services; Meter & Gauge Calibrations; Ceremonial Support; Training Services; Laundry Equipment Lease; Shipboard Services; Shipboard Habitability, Crane Services, Lubricating Oil.

Upcoming Meetings: OCT 99

Timelines: Awards of current/future RFPs completed NLT 1st Qtr. FY 00.

Who's Been Briefed: Consortium Members, Tidewater Government/Industry Council; NAVSUP Briefed 16 JUL 99.



San Diego Status

Visits by RADM Jenkins: OCT 98, APR, MAY 99.

Regional Players: NAVSUP/FISC, NAVFAC/PWC, SUPSHIP, SPAWAR/SSC, MSCPAC, DCMC, DFAS, USMC

Common Functions/Existing Contracts: Expressmart (office supplies); Pipe; Metals; Shop Towels; Bottled Gases; Custodial Svcs; Grounds Maint; Guard Svcs; Fire Protection Insp; Meter & Gauge Cal; AC Reefer Repair; Regional Child Development Center Supplies; Afloat Janitorial Svcs; Pumps; Valves; Motors.

Current/Future Common Function RFPs: Admin Svcs; Legal & Steno Svcs; Civilian Employment Asst Counseling Svcs; Ship Repair; Paint; Ceremonial Support; Training Svcs; Pagers & Cell Phones; IT Support; Galley & Laundry Services Afloat.

Upcoming Meetings: Southwest Contracting Consortium (monthly), DACM (Consortium/regionalization ideas for acquisition workforce training) OCT 99.

Timelines: New contract awards NLT 1st Qtr. FY 00.

Who's Been Briefed: ASN (RD&A) Tent Meeting in San Diego, 12 MAY 99, Govt/Industry panel briefed participants on SW regionalization/consortium efforts; FISC Business Office briefed CNRSW PM University session on 22 APR 99; NAVSUP Briefed 16 JUL 99.



Jacksonville Status

Visits by RADM Jenkins: JUL 99

Regional Players: COMNAVSUP/FISC, COMNAVFAC/PWC

Potential Contracts: Laundry, Cable TV, and Cellular Phone/Pager Services; Gases/Bulk Liquid /chemicals; Copier Maintenance; Linen Rental; Sports Officials.

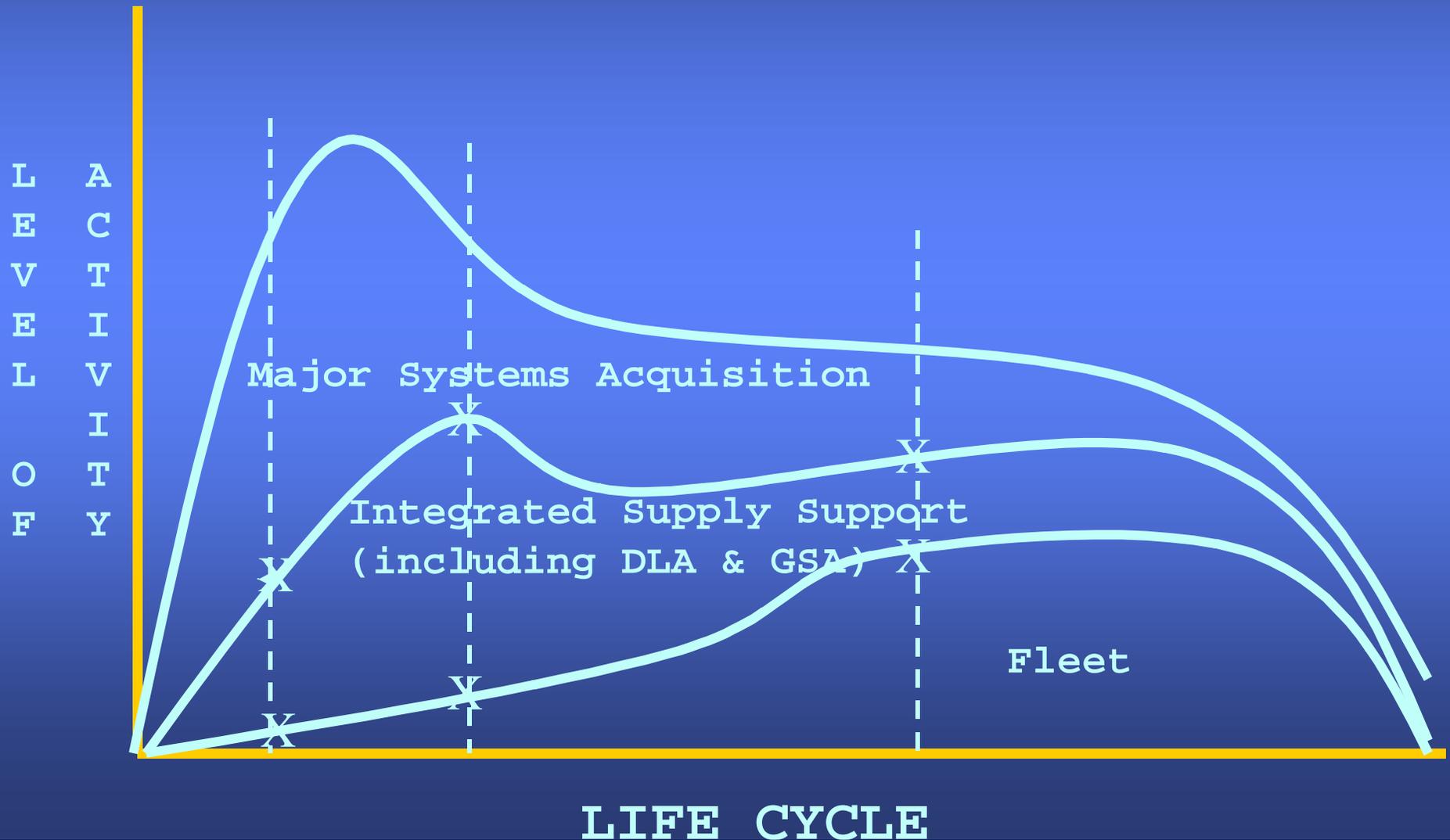
Upcoming Meetings: October 99 (Meeting to review existing contracts for potential consortium buying.)

Timelines: COMNAVSUP/COMNAVFAC have signed on to explore a joint venture under the Consortium concept and are currently working with Rear Admiral Moran (Navy Region Southeast).

Who's Been Briefed: Consortium Members.



CONTRACTING TARGETS OF OPPORTUNITY





PRODUCT COST REDUCTION EFFORTS

- Lockheed Martin Corporate Council, at ABM request, has initiated a CDRL cost reduction effort -- effort will be expanded to all industry corporate councils and other cost elements
- Examples of HCA efforts:
 - SSP: Replaced Milspec equipment with COTS in Navigation and Fire Control Systems-significant weight, space, and life-cycle-cost savings



PRODUCT COST REDUCTION EFFORTS

- **Examples of HCA efforts (cont.):**
 - **NAVAIR**: Propulsion Management Board is developing a plan to harmonize engine requirements
 - **NAVSEA**: The Acoustic-Rapid COTS Insertion Program, utilizing Open Systems Architecture, industry standards, and COTS hardware and software is upgrading submarine acoustic suites by providing a 250:1 increase in signal processing power at half the development cost of legacy militarized systems and with significant procurement savings



PRODUCT COST REDUCTION EFFORTS

- **Examples of HCA efforts (cont.):**
 - **NAVFAC**: Awarded multiple-award construction/facility repair contracts at all regional commands--contracts provide for design and build services and are achieving 4% to 8% savings
 - **SPAWAR**: Awarded a Program Managers Team Omnibus (PMTO) contract for entire command -- replaces 17 support services contracts and is projected to result in annual savings of 2%-5%



PRODUCT COST REDUCTION EFFORTS

- **Examples of HCA efforts (cont.):**
 - **NAVSUP**: Awarded long-term contracts to Sikorsky for procurement of SH-60 blades and overhaul/upgrade of CH-53 gearboxes--contracts reduced costs and lead times and improved support
 - **MSC**: Privatized tug services previously performed by Navy YTBs with estimated \$40M savings in three locations over 5 years -- expanding effort to other yard craft



BEST-VALUE CONTRACT AWARDS

STATUS

- **GAO Report (GAO/NSIAD-99-93R Acquisition Reform)**
 - 262 Contracts from 37 Buying Organizations
 - 21% Awarded to Other Than Lowest Offeror
 - 7% Premium for “Best-Value”

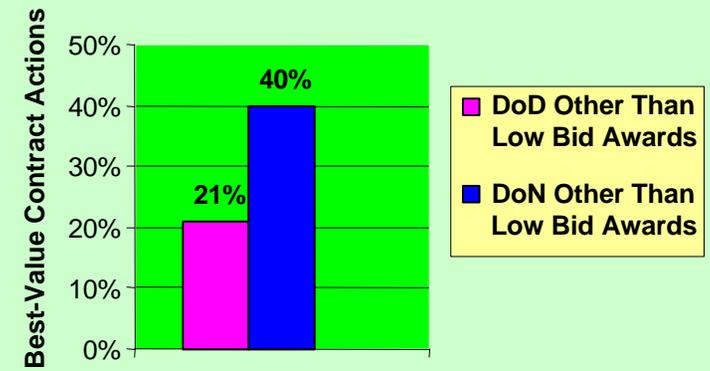
• Navy Results

- 49 Contracts from Across DoN
- 40% Awarded to Other Than Lowest Offeror; All High Tech
- 6% Premium for “Best-Value”

ACTION

• Communication

- Relay Industry’s Concerns
- ABM Web Page (<http://www.abm.rda.hq.navy.mil/bpgvb.html>)
 - Best Practices / Tools
- ARO Web Page (<http://www.acq-ref.navy.mil>)

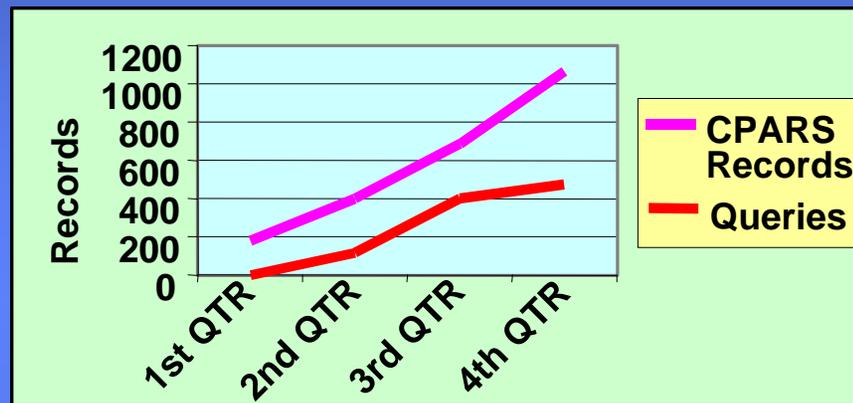




PAST PERFORMANCE

- Proven incentive for good contract performance. DoN automated CPARS system in place.

STATUS



In Excess of \$100B
out of Possible
\$300B in Navy
Contracts

ACTION

- DoN is taking aggressive action to make information available to industry.

Coming Soon...
CEO Personal
Access Level!

- To gain access to CPARS contact:
 - CPARS Help Desk (603) 431-9460 x486
 - E-mail: webptsmh@navsea.navy.mil
- Industry's use of the available information will help maximize the benefits they can receive from the system.



ABM's Op Order

Acquisition Center of Excellence

"BETTER"
Improve
Warfighter
Satisfaction

"FASTER"
Reduce cost
and cycle time
for delivering
equipment and
services

"SMARTER"
Shape and train
an efficient and
effective
acquisition
workforce

"CHEAPER"
Lower the total
ownership cost
of equipment
and services

WORLD WIDE WEB



Strategic Planning

Command & Control

Implementation

Customer Support

ASN(RD&A)
Staff Support

Organizational
Transformation Leader

Communications
Center

Policy
Development

ABM Personnel
Development

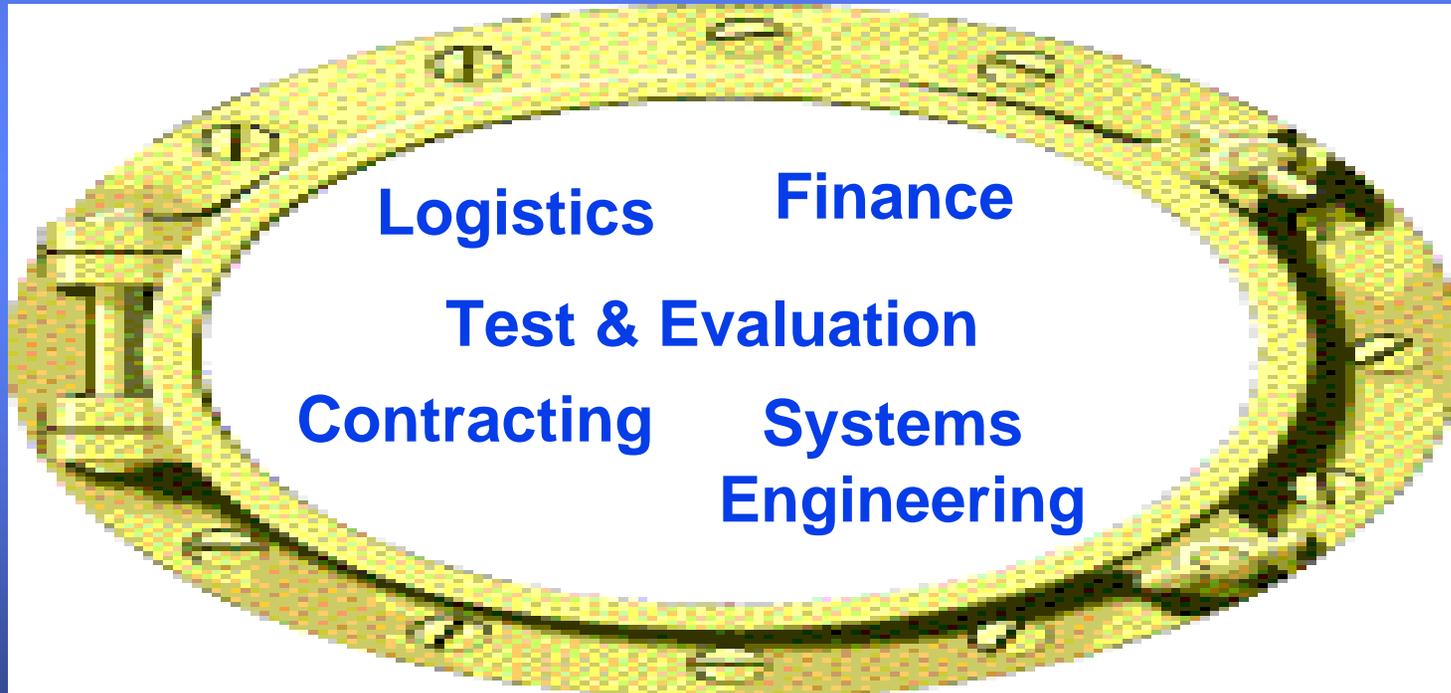




DoN E-BUSINESS PORTAL

What it is:

“Corporate portals reflect a fundamental transformation in our view of enterprise information management from a series of isolated tasks, to the *coordinated integration of knowledge.*” Delphi



What it is
NOT:

• *An IT Program*



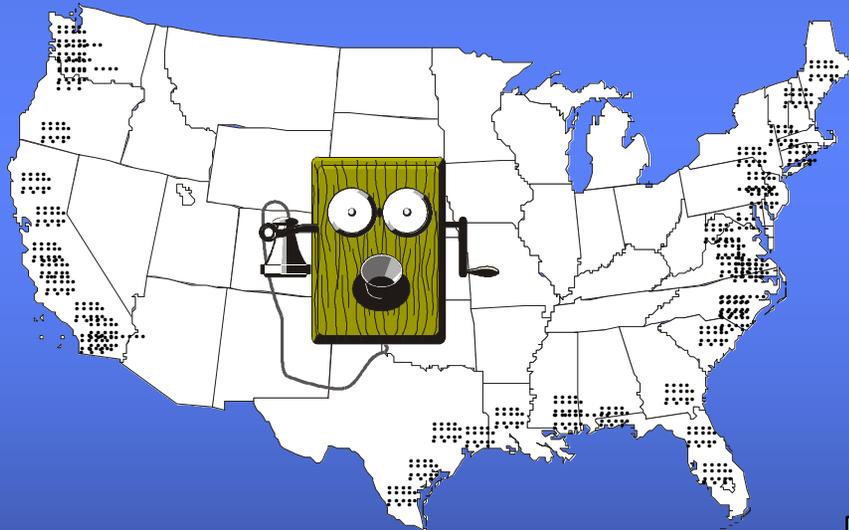
Purveyor of Business Alliances



From



To



Navy Buying Consortia
"A Virtual Enterprise"

The E - Business Manager

$E = \sum_0^n [(Entrepreneurial) \cup (Electronic)]$



“A New Dawn”